

**VIRGINIA:**

**IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND  
John Marshall Courts Building**

COMMONWEALTH OF VIRGINIA,  
EX REL. MARK R. HERRING,  
ATTORNEY GENERAL,

*Plaintiff,*

v.

INVESTMENT EVOLUTION CORPORATION  
d/b/a/ MR. AMAZING LOANS,

*Defendant.*

Civil Action No. CL17-4796-2

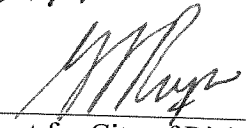
**ORDER ADOPTING AND APPROVING  
ASSURANCE OF VOLUNTARY COMPLIANCE**

Upon review of the Complaint and the Assurance of Voluntary Compliance, and with the consent of the parties, it is hereby ADJUDGED, ORDERED, and DECREED that:

1. The attached Assurance of Voluntary Compliance is hereby approved and adopted as an Order of this Court; and

2. The Clerk of this Court shall mail a certified copy of this Order to James E. Scott, Assistant Attorney General, Consumer Protection Section, 202 North Ninth Street, Richmond, Virginia 23219, and Stephen D. Rosenthal, Troutman Sanders LLP, Troutman Sanders Building, 1001 Haxall Point, Richmond, Virginia 23219, counsel for Investment Evolution Corporation d/b/a Mr. Amazing Loans.

ENTER: 10/13/17

  
\_\_\_\_\_  
Judge, Circuit Court for City of Richmond

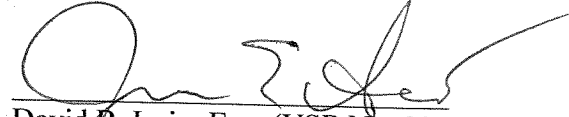
A Copy  
Teste: EDWARD F. JEWETT, CLERK

BY:  D.C.

**WE ASK FOR THIS:**

COMMONWEALTH OF VIRGINIA,  
*EX REL.* MARK R. HERRING,  
ATTORNEY GENERAL

By:



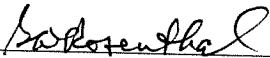
David B. Irvin, Esq. (VSB No. 23927)  
Senior Assistant Attorney General  
James E. Scott, Esq. (VSB No. 88882)  
Assistant Attorney General  
Office of the Attorney General  
Consumer Protection Section  
202 North Ninth Street  
Richmond, Virginia 23219  
Phone: (804) 225-4778  
Fax: (804) 786-0122

*Counsel for Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General*

**SEEN AND AGREED:**

INVESTMENT EVOLUTION CORPORATION

By:



Stephen D. Rosenthal, Esq. (VSB No. 16167)  
Troutman Sanders LLP  
Troutman Sanders Building  
1001 Haxall Point  
Richmond, Virginia 23219

*Counsel for Investment Evolution Corporation*

INVESTMENT EVOLUTION CORPORATION

By:



Its:

COO

VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND  
John Marshall Courts Building

COMMONWEALTH OF VIRGINIA,  
EX REL. MARK R. HERRING,  
ATTORNEY GENERAL,

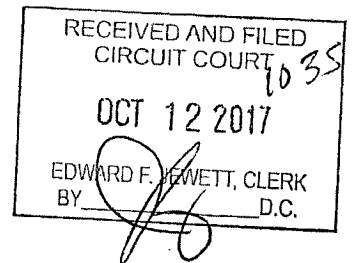
*Plaintiff,*

v.

INVESTMENT EVOLUTION CORPORATION  
d/b/a/ MR. AMAZING LOANS,

*Defendant.*

Civil Action No. CL17-4790-2



ASSURANCE OF VOLUNTARY COMPLIANCE

I. PARTIES

1.0 This Assurance of Voluntary Compliance (“Assurance”) is entered into by the Commonwealth of Virginia, by, through, and at the relation of its Attorney General, Mark R. Herring (the “Attorney General” or the “Commonwealth”), and Investment Evolution Corporation d/b/a Mr. Amazing Loans (“IEC”).

1.1 IEC is a Delaware corporation with a principal place of business formerly at 6160 West Tropicana, Suite E-13, Las Vegas, Nevada 89103, and currently at 3960 Howard Hughes Parkway, Suite 490, Las Vegas, Nevada 89169.

1.2 IEC does not contest that it has advertised to and served Virginia consumers. IEC consents to and waives all objections to this Court’s jurisdiction for all matters relating to this Assurance’s entry, execution, monitoring, and enforcement. IEC further waives all objections it may have to venue in this Court for all matters relating to this Assurance’s entry, execution, monitoring, and enforcement.

## II. COMMONWEALTH'S POSITION

2.0 The statements contained in this Section II represent the position of the Attorney General.

2.1 The Commonwealth alleges that IEC was at all relevant times mentioned herein, a "supplier" of "goods" or "services," and engaged in "consumer transactions," as those terms are defined in § 59.1-198 of the Virginia Consumer Protection Act ("VCPA"), Virginia Code §§ 59.1-196 through 59.1-207, by advertising, offering, and providing closed-end installment loans to individual Virginia consumers over the Internet.

2.2 During the period from May 22, 2014 to May 2, 2017 ("the Relevant Period"), IEC offered to make and made closed-end installment loans to Virginia consumers over the Internet.

2.3 IEC advertised on two separate websites that it was licensed by the Bureau of Financial Institutions ("BFI")—a bureau of the State Corporation Commission ("SCC") tasked with the regulation of various consumer lenders.

2.4 Though IEC advertised online that it was licensed by BFI, it was not.

2.5 During the Relevant Period, IEC imposed, on all of its closed-end installment loan borrowers, an annual interest rate of 29.9%.

2.6 During portions of the Relevant Period, IEC included in its loan agreements a "Late Charge" provision indicating that, if the borrower made a payment 10 or more days late, the borrower would be charged a late fee of "5.000% of the regularly scheduled payment or \$10.00, whichever is greater."

2.7 As an unlicensed consumer lender, and without qualifying for any other exception to Virginia's general usury statute, Virginia Code § 6.2-303(A), IEC could only charge 12% annual interest—not the 29.9% annual interest it charged its Virginia customers.

2.8 IEC could not legally collect a late charge exceeding 5% of the regularly scheduled payment because Virginia Code § 6.2-400(B) caps such charges at 5% of the installment payment.

2.9 The Commonwealth contends that IEC violated the VCPA by misrepresenting that it was a licensed consumer lender regulated by BFI in violation of Virginia Code §§ 59.1-200(A)(2), (3) and (14).

2.10 The Commonwealth contends that IEC violated the VCPA by misrepresenting its legal ability to collect more than 12% annual interest in violation of Virginia Code §§ 59.1-200(A)(5) and (14).

2.11 The Commonwealth contends that IEC violated the VCPA by misrepresenting the legality of charging a late fee of more than 5% of a regularly scheduled installment payment in violation of Virginia Code §§ 59.1-200(A)(5) and (14).

2.12 IEC has ceased new lending in Virginia and edited its websites to reflect that it is not licensed by BFI to make consumer loans in Virginia.

### **III. DEFENDANT'S POSITION**

3.0 The statements contained in this Section III represent the position of IEC.

3.1 IEC does not contest the allegations in Paragraphs 2.1-2.2, 2.5-2.8, and 2.12, and denies the allegations in Paragraphs 2.3, 2.4, and 2.9-2.11 of this Assurance. Specifically, IEC:

3.1.1 Denies that it advertised on two separate websites that it was licensed by the Bureau of Financial Institutions ("BFI")—a bureau of the State Corporation Commission ("SCC") tasked with the regulation of various consumer lenders;

3.1.2 Denies that it advertised online that it was licensed by BFI, but was not;

- 3.1.3 Denies that it violated the VCPA by misrepresenting that it was a licensed consumer lender regulated by BFI in violation of Virginia Code §§ 59.1-200(A)(2), (3) and (14);
- 3.1.4 Denies that it violated the VCPA by misrepresenting its legal ability to collect more than 12% annual interest in violation of Virginia Code §§ 59.1-200(A)(5) and (14); and
- 3.1.5 Denies that it violated the VCPA by misrepresenting the legality of charging a late fee of more than 5% of a regularly scheduled installment payment in violation of Virginia Code §§ 59.1-200(A)(5) and (14).
- 3.2 IEC denies that it engaged in any acts and practices that violate any Virginia law, including, but not limited to, the VCPA.
- 3.3 IEC asserts that it is properly licensed in the nineteen (19) other states in which it does business.
- 3.4 IEC asserts that, based on its review of BFI's website and its discussions/email correspondence with the relevant Virginia BFI representative, along with the fact that in both 2015 and 2016 it provided to BFI its Annual Reports Of A Consumer Finance Company (fully disclosing the 29.9% interest rate being charged and full disclosure of its Virginia loan operations including Virginia state financials), it reasonably believed that it was properly licensed in Virginia.
- 3.5 IEC asserts that it has endeavored at all times to be as fair and transparent as possible with its customers, and that it acted in good faith during the Relevant Period, to wit: since its inception, IEC has never: charged an application fee; charged an origination fee; charged a late fee; charged a prepayment penalty; sold its loans to others; sold any applicant's or

customer's data to others; sent any delinquent loans to collection; turned any debt over to a debt collector; initiated any law suit to collect any deficiencies; or reported to any credit bureau.

#### IV. GENERAL PROVISIONS

4.0 This Assurance does not constitute an admission by IEC for any purpose of any fact or of a violation of any state or federal law, rule or regulation. IEC enters into this Assurance without admitting any wrongdoing or liability and affirmatively states that its execution of this Assurance is for settlement purposes only. This Assurance is made without trial or adjudication of any issue of fact or law. This Assurance does not constitute evidence or admission of any issues of fact or law. IEC enters into this Assurance for the purpose of arriving at a complete, full settlement of any disagreement as to the matters addressed in this Assurance and preceding its execution, which may exist between IEC and the Attorney General, in the interest of resolving the Attorney General's claims.

4.1 This Assurance shall be governed by the laws of the Commonwealth of Virginia.

4.2 This Assurance does not constitute an approval by the Attorney General of any of IEC's services or practices and IEC shall not make any representation to the contrary.

4.3 Nothing in this Assurance shall be construed as a waiver of whatever, if any, private rights of action any affected person may have relating to the conduct at issue.

4.4 Nothing in this Assurance shall permit any person or entity not a signatory hereto to enforce any provision of this Assurance.

4.5 Nothing in this Assurance shall be construed to authorize or require any action by IEC in violation of applicable federal, state, or other laws.

4.6 IEC agrees that this Assurance constitutes a legally-enforceable obligation of IEC in accordance with its terms.

4.7 Except for the Complaint filed simultaneously with this Assurance, the Commonwealth shall not institute any civil proceeding or take any civil action against IEC, its officers, directors, members, managers, employees or agents under the VCPA for any conduct that occurred prior to the date this Assurance is signed by all parties and approved and adopted as an Order of the Court (the "Effective Date" of this Assurance) that is based on any service or practice addressed in this Assurance. The Parties agree that if IEC, or its employees, agents, members, managers, officers or directors, provided any materially-false information to the Commonwealth during any settlement negotiations between the Parties, this provision shall be null and void.

4.8 This Assurance applies to IEC, together with its officers, directors, members, managers, employees, assigns and agents who are engaged in any aspect of the Defendant's lending activities.

4.9 This Assurance constitutes the entire agreement of the parties hereto and supersedes all prior agreements or understandings, whether written or oral, between the parties and/or their respective counsel with respect to the subject matter hereof. Any amendment or modification to this Assurance must be in writing and signed by a duly authorized representative of all the parties hereto.

## **V. ASSURANCES**

5.0 IEC voluntarily agrees to this Assurance of Voluntary Compliance without trial or adjudication of any issue of fact or law.

5.1 IEC agrees to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be violations of the VCPA in Paragraphs 2.9, 2.10, and 2.11 of Section II of this Assurance, and IEC agrees that engaging in such acts or similar acts after the



Effective Date of this Assurance may constitute, dependent upon the facts and circumstances to be later determined, a violation of the Order by which this Assurance is approved and adopted by this Court.

5.2 IEC agrees to refrain from and to be permanently enjoined from engaging in any and all practices in violation of the VCPA, as it now exists, or as amended in the future.

5.3 IEC agrees to make available and to disclose the provisions of this Assurance to its officers, directors, members, managers, employees, agents and representatives within five (5) days of the last execution date of this Assurance, or the date this Assurance is filed with the Court, whichever is later.

5.4 IEC shall institute supervisory compliance procedures that are reasonably designed to ensure compliance with this Assurance, including, without limitation: (a) the training of relevant employees; and (b) revisions to and/or development of appropriate training materials and internal procedures.

5.5 IEC agrees to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, limited liability company, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms of this Assurance, but is permitted to do any of the aforementioned for tax or legitimate corporate reasons.

5.6 IEC agrees that it shall not represent that the Attorney General approves of or endorses Defendant's past or future business practices, or that the execution of this Assurance constitutes such approval or endorsement.

## VI. RESTITUTION

6.0 “Restitution-Eligible Consumers” means all borrowers who identified as Virginia residents and who received a loan which, as of the Effective Date, is paid in full or for which total payments to IEC exceed what would have been due had such loan been originated at a rate of 12% annual interest.

6.1 By the date it executes this Assurance, IEC agrees to provide the Attorney General’s Office with a verified spreadsheet containing the first and last name, home address, and phone number for all Restitution-Eligible Consumers. Such spreadsheet also shall include for each Restitution-Eligible Consumer the loan date, the initial principal amount loaned, the total amount paid, the total amount due when the loan is reformed to a 12% annual interest rate, and the dollar amount of restitution owed. The verified spreadsheet shall be accompanied by an affidavit in a form approved by the Attorney General.

6.2 IEC agrees to provide refunds in the amounts required to the Restitution-Eligible Consumers. To this end, IEC has informed the Attorney General that, prior to the execution of this AVC, it:

6.2.1 Issued refund checks to those Restitution-Eligible Consumers who had paid their loans in full with a letter explaining this settlement and stating that such consumers are entitled to a refund. The refund checks and letters were mailed to the consumer’s last known address, according to IEC’s own records.

6.2.2 Credited outstanding principal balances for those Restitution-Eligible Consumers with active loans with the difference between the 29.9% APR provided in the loan agreement and 12% APR, and reformed the interest

rate to 12% APR for the duration of the loan. Within sixty (60) days of the Effective Date, IEC shall mail a letter to such Restitution-Eligible Consumers with active loans explaining this settlement and stating that such consumers are entitled to a refund. IEC agrees that it will mail the letters to the consumer's last known address, according to IEC's own records. The form and substance of any letter shall be approved in advance by the Attorney General.

6.3 IEC is authorized to require that, by depositing the refund checks referred to in subparagraph 6.2.1, or by accepting the credit and the reformed interest rate described in subparagraph 6.2.2, the Restitution-Eligible Consumers release IEC from any and all claims relating to liability arising from this Assurance. The form and substance of any release language shall be approved in advance by the Attorney General.

6.4 IEC shall manage and conduct the mailing of refund checks to the Restitution-Eligible Consumers and track and compile the identity of those consumers: (a) who deposit the refund checks; (b) who did not deposit the refund checks; and (c) whose refund checks are returned to IEC for incorrect or insufficient address or any other reason. IEC agrees to cover all costs related to the mailing, tracking, and compiling described above.

6.5 IEC shall provide all information compiled pursuant to Paragraph 6.4 above to the Office of the Attorney General within one hundred twenty (120) days of the Effective Date so that the Attorney General may engage in further efforts to locate the Restitution-Eligible Consumers whose refund checks are returned for incorrect or insufficient address, or any other reason. For any Restitution-Eligible Consumer whose refund check is returned for incorrect address or insufficient address or any other reason, IEC also will provide the Attorney General

with the consumer's date of birth, last known address, phone number, social security number, and driver's license number, if IEC has that information. The Attorney General may direct IEC to send refund checks at any time up to one hundred eighty (180) days after the Effective Date to any Restitution-Eligible Consumer for whom a more current address is found. After one hundred eighty (180) days after the Effective Date, except for its obligations described in paragraph 6.6 below, IEC shall not have any further liability with respect to any refund checks that have not been deposited.

6.6 For any refund check that is not deposited through the restitution process described in paragraphs 6.2 through 6.5 above, IEC will forward the aggregate amounts due to such Restitution-Eligible Consumers, together with a list of the affected consumers' names, to the Attorney General's Office no later than two hundred forty (240) days after the Effective Date. If the Attorney General's Office is not successful thereafter in locating such Restitution-Eligible Consumers, such amounts will be forwarded to the Unclaimed Property Division of the Department of the Treasury pursuant to, and for the purposes set forth in, §§ 55-210.9 and 55-210.2 of the Uniform Disposition of Unclaimed Property Act, Virginia Code §§ 55-210.1 to 55-210.30.

6.7 IEC agrees to use its current business telephone number to handle consumer inquiries relating to the settlement. IEC agrees to forward all calls made to its current number from 7:30 a.m. to 4:00 p.m. PST, Monday through Friday, excluding United States federal and banking holidays, to a designated representative who will answer consumer calls for at least two hundred and forty (240) days after the Effective Date. The representative designated to receive such consumer inquiries shall be knowledgeable of the terms of the Assurance and have ready

access to the spreadsheets required in Paragraphs 6.1 and 7.1, and be prepared to inform consumers of the relief they are eligible to receive pursuant to this Assurance, if any.

## **VII. FORBEARANCES**

7.0 “Forbearance-Eligible Consumers” means all borrowers who identified as Virginia residents, who received a loan, who do not qualify as Restitution-Eligible Consumers, and who continue to make payments on a loan or who defaulted on a loan.

7.1 With respect to all Forbearance-Eligible Consumers, IEC agrees to cease all collection efforts once their loans, recalculated as though they were originated with no more than a rate of 12% annual interest (the “legal interest”), have been recouped. By the date it executes this Assurance, IEC agrees to provide the Office of the Attorney General with a spreadsheet containing the name, address, telephone number, total amount loaned, current outstanding balance, total amount paid to date on account of principal, interest, fees, and, as appropriate, the amount of any balance that remains subject to collection [where the total loaned plus the legal interest minus the total paid to date is a positive number], and the amount of any portion of the current outstanding balance which IEC is agreeing to forbear [where total paid exceeds the total loaned plus the legal interest, this will be the entire outstanding balance], with respect to each Forbearance-Eligible Consumer. The verified spreadsheet shall be accompanied by an affidavit in a form approved by the Attorney General.

7.2 In the event a Forbearance-Eligible Consumer voluntarily submits a payment to IEC after the Effective Date, where such payment causes the consumer’s total aggregate payments to exceed the principal amount loaned plus the legal interest, the Defendant agrees to return the excess payment to the consumer simultaneously with a letter explaining the relevant terms of the Assurance within ten (10) business days of receipt of the consumer’s payment. The

form and substance of any letter used under these circumstances shall be approved in advance by the Attorney General.

7.3 With respect to all Forbearance-Eligible Consumers from whom the Defendant has recouped at least the principal amounts loaned plus the legal interest, if any debt owed has been turned over by the Defendant to a debt collector, the Defendant agrees to provide notice to the debt collector requiring the debt collector to cease all further collection efforts. The Defendant shall provide notice to debt collectors within fifteen (15) days of the Effective Date.

#### **VIII. MISCELLANEOUS**

8.0 IEC agrees to maintain loan records, whether in electronic or hard copy form, relating to any Restitution-Eligible Consumer or Forbearance-Eligible Consumer for a period of one year and six months after the Effective Date.

8.1 If IEC files for bankruptcy within ninety (90) days of any payment made pursuant to this Assurance, the Commonwealth may, at its option, void any provision of this Assurance, or void this Assurance in its entirety.

8.2 To the extent that IEC has provided any negative information, knowingly or unknowingly, directly or indirectly, to any credit reporting agency concerning any Restitution-Eligible Consumer or Forbearance-Eligible Consumer, IEC agrees to contact the credit reporting agency to request removal of the adverse information.

#### **IX. CIVIL PENALTY, COSTS, & ATTORNEYS' FEES**

9.0 Judgment is hereby entered in favor of the Commonwealth and against the Defendant in the amount of Five Thousand Dollars (\$5,000.00) pursuant to § 59.1-206(A) of the VCPA, as a civil penalty for alleged violations of the VCPA. Any amounts paid and collected

shall be deposited to the Attorney General's Regulatory, Consumer Advocacy, Litigation and Enforcement Revolving Trust Fund.

9.1 Judgment is hereby entered in favor of the Commonwealth and against the Defendant in the amount of Forty-Five Thousand Dollars (\$45,000.00), pursuant to § 59.1-206(C) of the VCPA, for reimbursement of the Commonwealth's reasonable expenses, costs, and attorneys' fees in investigating and preparing this action. Any amounts paid and collected shall be deposited to the Attorney General's Regulatory, Consumer Advocacy, Litigation and Enforcement Revolving Trust Fund.

9.2 IEC agrees to make payment of the amounts specified in Paragraphs 9.0 and 9.1 by delivery of a certified or cashier's check, in the amount of Fifty Thousand Dollars (\$50,000.00), made payable to "Treasurer of Virginia," and remitted to: James E. Scott, Assistant Attorney General, Consumer Protection Section, 202 North Ninth Street, Richmond, Virginia, 23219, within fifteen (15) business days of the entry of the Court Order approving and adopting this Assurance.

#### **X. SIGNATURES**

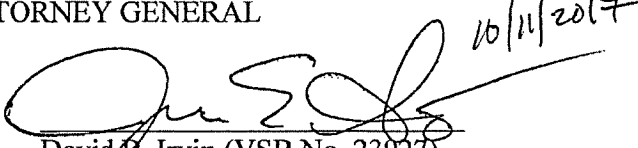
10.0 Each undersigned individual represents that he or she is fully authorized by the Party he or she represents to enter into this Assurance and to legally bind such Party to the terms and conditions herein.

Signed this \_\_\_ day of October, 2017.

**FOR THE PLAINTIFF:**

COMMONWEALTH OF VIRGINIA,  
EX REL. MARK R. HERRING,  
ATTORNEY GENERAL

By:

 10/11/2017

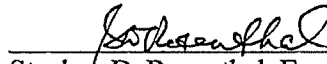
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*Counsel for Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General*

**FOR THE DEFENDANT:**

INVESTMENT EVOLUTION CORPORATION  
October 3, 2017

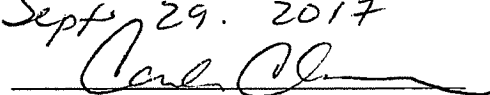
By:

  
Stephen D. Rosenthal, Esq. (VSB No. 16167)  
Troutman Sanders LLP  
Troutman Sanders Building  
1001 Haxall Point  
Richmond, Virginia 23219

*Counsel for Investment Evolution Corporation*

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Sept 29. 2017  


Its:

